

Message Text

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PAGE 01 SAIGON 07744 121222Z

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ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07

PA-04 RSC-01 PRS-01 SP-03 SS-20 IO-14 AID-20 OMB-01

TRSE-00 OIC-04 DRC-01 /139 W
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O R 121117Z JUN 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 5724

INFO AMEMBASSY TOKYO

AMEMBASSY OTTAWA

AMEMBASSY BONN

AMEMBASSY MANILA

AMEMBASSY STOCKHOLM

AMEMBASSY OSLO

AMEMBASSY COPENHAGEN

AMEMBASSY PARIS

AMEMBASSY VIENTIANE

AMEMBASSY PHNOM PENH

C O N F I D E N T I A L SAIGON 7744

E.O. 11652: GDS

TAGS: EAID, JA, LA, VS, CB

SUBJECT: INDOCHINA DONORS MEETING

REFS: AL STATE 123314; B) OSLO 2272

1. IT SEEMS INCONCEIVABLE THAT THE INTERNATIONAL MECHANISMS
SUCH AS THE IBRD, WHICH COULD NEITHER HAVE BEEN FOUNDED OR
HAVE OPERATED IN ITS EARLIER YEARS WITHOUT MASSIVE DISPROPORTIONATE
FINANCIAL BACKING FROM THE US, AND ON WHOSE GENEROSITY ITS FUTURE
DEPENDS, COULD BE EFFECTIVELY BLACKMAILED BY SWEDISH THREAT THAT,
IF IT CANNOT IMPOSE ITS WILL ON OTHER MEMBERS, IT WILL BOYCOTT
MEETING. WE WERE NOT AWARE THAT "PRINCIPLE OF UNANIMITY" HAD
SUPPLANTED DECISION MAKING APPARATUS SET UP WHEN THE IBRD
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PAGE 02 SAIGON 07744 121222Z

WAS FORMED. THEREFOE, WE SUGGEST PROSPECT OF SWEDISH BOYCOTT

OF INDOCHINA MEETING, EVEN IF FOLLOWED BY OTHER SCANDINAVIANS, IS ONE WHICH THE US COULD FACE WITH CONSIDERABLE EQUANIMITY. PERHAPS THE TIME HAS COME FOR THE US TO MAKE ITS VIEWS KNOWN IN COMPARABLY VIGOROUS TERMS SINCE CURRENT SWEDISH ACTIONS, INCLUDING LEAKING OF IBRD CONFIDENTIAL PAPERS TO SELECTED CORRESPONDENTS FOR CIRCULATION ON THE HILL, CLEARLY TRANSGRESSES ALL NORMS OF PERMISSIBLE CONDUCT.

2. IN FACT, WE WONDER WHETHER CURRENT ACTIVITIES AND ATTITUDES OF SWEDEN'S EXECUTIVE DIRECTOR ARE FULLY KNOWN TO OR APPROVED BY PRIME MINISTER PALME. THE CIRCUMSTANCES AND CORDIALITY OF HIS RECEPTION OF AMBASSADOR STRAUZ-HUPE INDICATE A STRONG DESIRE FOR IMPROVING THE BILATERAL RELATIONSHIPS BETWEEN OUR TWO COUNTRIES. WE BELIEVE THAT AMBASSADOR STRAUZ-HUPE, IYRNG DEPARTMENT APPROVES, COULD MAKE A PERSUASIVE CASE TO PALME THAT TO OPPOSE THE VOLUNTARY FORMATION OF A SUB-GROUP FOR THE RVN BY THOSE COUNTRIES WHICH WOULD SO ELECT WOULD TOTALLY VIOLATE THE PRINCIPLES OF DEMOCRATIC FAIR PLAY WHICH SWEDEN HAD SO LONG ESPOUSED AND WE WOULD FIND THIS INCOMPREHENSIBLE.

3. NOR DO WE ACCEPT THE FACT THAT SWEDEN'S ACTION WILL NECESSARILY CARRY OTHER NORDICS AUTOMATICALLY ALONG IN THEIR WAKE. WE NOTE, FOR EXAMPLE, FROM REF B THAT IN THE CASE OF THE ICRC WEAPONS CONFERENCE THE PROSPECT OF POSSIBLE US WITHDRAWAL FROM THE CONFERENCE SEEMS TO HAVE A BENEFICIAL EFFECT IN OSLO. WE BELIEVE REPRESENTATION IN OTHER NORDIC CAPTIALS ON DENIAL OF FREEDOM TO MAKE SUCH CHOICES AS EACH NATIONA MAY ELECT COULD BE EFFECTIVE.

4. AS TO GERMAN ATTITUDES WE DEFER TO BONN. HOWEVER WE ARE CONFIDENT THAT THE IMPORTANCE OF THE CASE FOR AN INDOCHINA DONORS GROUP MEETING (IRRESPECTIVE OF AN IBRD DEVELOPMENT LOAN) AS A POLITICAL DEVICE TO ENABLE THE JAPANESE TO INCREASE AID TO VIET-NAM CAN BE PERSUASIVELY PRESENTED TO THE FRG AT AN APPROPRIATELY HIGH LEVEL. AMBASSADOR HILLENBRAND MAY WISH TO ENLIST SUPPORT OF JUST RETIRED FRG AMBASSADOR TO GV, HORST VON ROM, WHO WE UNDERSTAND NOW IN BONN.

5. THERE IS NOT DOUBT IN OUR MINDS THAT FORMATION OF OVER ALL INDOCHINA DONORS GROUP, PERMITTING LOOSE SUB-GROUP, IS
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SAIGON 07744 121222Z

ESSENTIAL IF WE ARE TO GET THE DEGREE OF JAPANESE PARTICIPATION WE CAN AND SHOULD HAVE IN THE IMMEDIATE FUTURE. OUR JAPANESE COLLEAGUES HERE FIND IT HARD TO BELIEVE THAT THE USG DOES NOT HAVE ENOUGH PERSUASIVE WEIGHT TO ACCOMPLISH SUCH A RELATIVELY SIMPLE THING AS THE FORMATION OF A DONORS GROUP IF WE THOUGHT IT IMPORTANT ENOUGH. NEITHER DO WE AND WE HOPE WE WILL TAKE THOSE ACTIONS NECESSARY TO ACHIEVE THAT SIMPLE OBJECTIVE WITHOUT FURTHER DELAY.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CONTRIBUTIONS, MEETINGS, MEETING DELEGATIONS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 12 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SAIGON07744
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740151-0523
From: SAIGON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740652/aaaabsjz.tel
Line Count: 116
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: AL STATE 123314; B) OSLO 2272
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2002 by izenbei0>; APPROVED <31 JUL 2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDOCHINA DONORS MEETING
TAGS: EAID, JA, LA, VS, CB, IBRD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005